

For all enquiries:

 **Phone:**
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Friday, 1 July 2022

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Dear Shareholder

carsales.com Limited Entitlement Offer – Notification to Ineligible Shareholders

On Monday, 27 June 2022, carsales.com Limited (**CAR**) announced a fully underwritten pro-rata accelerated non-renounceable entitlement offer of new CAR shares (**New Shares**) to raise approximately AUD\$1,207 million (**Entitlement Offer**).

DETAILS OF ENTITLEMENT OFFER

The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and an offer to eligible retail shareholders (as defined below) (**Retail Entitlement Offer**) to participate at the same offer price and on the same terms. The Institutional Entitlement Offer has closed and the results were announced to ASX on Wednesday, 29 June 2022. The Entitlement Offer is fully underwritten by the underwriters (**Underwriters**) pursuant to an underwriting agreement (the terms of which are summarised in Annexure D of the Investor Presentation lodged with ASX on Monday, 27 June 2022).

The Entitlement Offer is being made by CAR without a prospectus or other disclosure document in accordance with section 708AA of the *Corporations Act 2001* (the **Act**) as modified by the Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73).

You are receiving this letter to inform you that, according to our records, you did not satisfy the eligibility criteria to participate in the Retail Entitlement Offer. Further information about the Entitlement Offer, including the eligibility criteria to participate and how your Entitlement will be dealt with, is set out below. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

You are not required to do anything in response to this letter.

ELIGIBILITY CRITERIA

CAR has decided that it would be unreasonable to make offers under the Retail Entitlement Offer to CAR shareholders who have registered addresses outside Australia and New Zealand. In making this decision, CAR has had regard to the number of such holders, the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places.

Each of CAR and the Underwriters, each of their affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, advisers, representatives and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

“Eligible Retail Shareholders” are those persons who, at 7:00pm on Wednesday, 29 June 2022 (**Record Date**):

- have a registered address in Australia or New Zealand as noted on CAR's share register;
- are not in the United States and are not a person acting for the account or benefit of a person in the United States (to the extent such Shareholders hold Shares for the account or benefit of such persons in the United States);
- were not invited to participate (other than as a nominee) or were otherwise ineligible to participate in the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus, product disclosure document or offer document to be lodged or registered.

Unfortunately, according to our records, you did not satisfy the eligibility criteria for an Eligible Retail Shareholder. Accordingly, in compliance with section 9A(3) of the Act and ASX Listing Rule 7.7.1(b), CAR wishes to advise you that it will not be extending the Retail Entitlement Offer to you, and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Retail Entitlement Offer.

CAR may determine to extend the Retail Entitlement Offer to certain shareholders who did not participate in the Institutional Entitlement Offer or to certain other retail shareholders, subject to compliance with applicable laws.


NO ACTION REQUIRED

This notice is to inform you about the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter.

If you have any questions in relation to any of the above matters, please contact the Offer Information Line on 1300 850 505 (within Australia), or +61 3 9415 4000 (outside Australia) at any time between 8:30am and 5:00pm (Melbourne time) Monday to Friday, before the close of the Retail Entitlement Offer at **5.00pm (Melbourne time) on Wednesday, 13 July 2022**.

On behalf of the Board and management of CAR, we regret that you are not eligible to participate in the Retail Entitlement Offer and thank you for your continued support.

Yours sincerely



Nicole Birman
Company Secretary
carsales.com Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

IMPORTANT INFORMATION

This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any New Shares in CAR.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**"), or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the entitlements under the Retail Entitlement Offer may not be exercised or taken up by, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States or persons acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of persons in the United States). In the Retail Entitlement Offer, the entitlements may only be taken up or exercised, and the New Shares may only be offered or sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.